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STRENGTHENING OF THE COORDINATION OF HUMANITARIAN AND DISASTER RELIEF ASSISTANCE OF THE UNITED NATIONS, INCLUDING SPECIAL ECONOMIC ASSISTANCE: SPECIAL ECONOMIC ASSISTANCE TO INDIVIDUAL COUNTRIES OR REGIONS

ECONOMIC AND SOCIAL COUNCIL
Substantive session of 1995
Item 5 (c) of the provisional agenda**
SOCIAL, HUMANITARIAN AND HUMAN RIGHTS QUESTIONS: REPORTS OF SUBSIDIARY BODIES, CONFERENCES AND RELATED QUESTIONS: IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES BY THE SPECIALIZED AGENCIES AND THE INTERNATIONAL INSTITUTIONS ASSOCIATED WITH THE UNITED NATIONS

Letter dated 30 June 1995 from the Chairman of the Committee on the Exercise of the Inalienable Rights of the Palestinian People addressed to the Secretary-General

I have the honour to draw to your attention the report of the Seminar on Palestinian Administrative, Managerial and Financial Needs and Challenges, held in Paris at the headquarters of the United Nations Educational, Scientific and Cultural Organization from 28 to 30 June 1995. The Seminar was convened by the Committee on the Exercise of the Inalienable Rights of the Palestinian People in accordance with its mandate to promote international support for and assistance to the Palestinian people during the transitional period.

The Seminar provided a framework for an exchange of views on various aspects of the current challenges facing the Palestinians in their efforts to

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establish an effective administration in the area under the Palestinian Authority and the measures that can be taken and the role of international assistance in that regard. Major categories of participants in the seminar were donor countries, intergovernmental organizations, United Nations bodies and agencies and non-governmental organizations active in the field, as well as Palestinian, Israeli and other experts. The Committee considers that the seminar was a timely and useful event and hopes thereby to have made a constructive contribution to international efforts to promote Palestinian social and economic development, which is so essential for the achievement of a just and lasting peace.

I have the honour to attach for your information the report of the Seminar (see annex). I should be grateful if you would have the text of the present letter and its annex circulated as a document of the General Assembly, under item 20 (b) of the preliminary list, and of the Economic and Social Council, under agenda item 5 (c).

(Signed) Kéba Birane CISSÉ
Chairman
Committee on the Exercise of the Inalienable
Rights of the Palestinian People

ANNEX

United Nations Seminar on Palestinian Administrative, Managerial and Financial Needs and Challenges, held at the headquarters of the United Nations Educational, Scientific and Cultural Organization, Paris, from 28 to 30 June 1995

CONTENTS

		Paragraphs	Page
I.	INTRODUCTION	1 - 12	4
	A. Organization of the Seminar	1	4
	B. Participation	2 - 9	4
	C. Opening of the Seminar	10	5
	D. Agenda	11 - 12	6
II.	SUMMARY OF PRESENTATIONS	13 - 64	6
	A. Opening session	13 - 16	6
	B. Plenary session: Palestinian administrative, managerial and financial needs and challenges - the role of international assistance	17 - 33	8
	C. Round-table discussions	34 - 62	13
	D. Closing session	63 - 64	23

I. INTRODUCTION

A. Organization of the Seminar

1. The Seminar on Palestinian Administrative, Managerial and Financial Needs and Challenges was convened by the Committee on the Exercise of the Inalienable Rights of the Palestinian People in accordance with its mandate to promote international support for and assistance to the Palestinian people during the transitional period. The Seminar was held in Paris from 28 to 30 June 1995, at the headquarters of the United Nations Educational, Scientific and Cultural Organization (UNESCO).

B. Participation

2. The Committee on the Exercise of the Inalienable Rights of the Palestinian People was represented by a delegation comprising Mr. Kéba Birane Cissé (Senegal), Chairman; Mr. Ravan A. G. Farhadi (Afghanistan), Vice-Chairman; Mr. Joseph Cassar (Malta), Rapporteur; Mr. Alimamy Bangura (Sierra Leone); and Mr. Nasser Al-Kidwa (Palestine). The officers of the Committee served as officers of the Seminar in their respective capacities.

3. Invitations to participate in the Seminar were extended to Governments, intergovernmental organizations, organizations and agencies of the United Nations system and non-governmental organizations. A number of experts were invited to make presentations at the Seminar.

4. The following Governments were represented: Algeria, Argentina, Austria, Bahrain, Belarus, Belgium, Brazil, Brunei Darussalam, Canada, Chad, Colombia, Costa Rica, Cyprus, Czech Republic, Ecuador, Egypt, Greece, Hungary, India, Indonesia, Iran (Islamic Republic of), Ireland, Italy, Japan, Jordan, Malawi, Mexico, Morocco, Namibia, Nepal, the Netherlands, Norway, Qatar, Republic of Korea, Russian Federation, Saudi Arabia, Senegal, South Africa, Spain, Sweden, Switzerland, Tunisia, Turkey, Uganda, Ukraine, United Arab Emirates and United Kingdom of Great Britain and Northern Ireland.

5. The following organizations, agencies and entities of the United Nations system participated: UNESCO, International Labour Organization (ILO), United Nations Conference on Trade and Development (UNCTAD), United Nations Development Programme (UNDP), United Nations Institute for Training and Research (UNITAR), United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), Office of the United Nations High Commissioner for Refugees (UNHCR), International Monetary Fund (IMF), World Health Organization (WHO) and Department for Development Support and Management Services of the Secretariat.

6. The following intergovernmental and national organizations were represented: Movement of Non-Aligned Countries, Organization of the Islamic Conference (OIC), League of Arab States, European Commission, Group of 77, French National Audit Office and International Institute for Public Administration (France).

7. The delegation of Palestine took part in the work of the Seminar.

8. The following experts participating in their individual capacity presented papers:* Mr. Hussein Al-A'raj, Deputy Head for Local Government, Palestinian Authority; Mr. Atef Alawneh, Deputy Head, Department of Finance, Palestinian Authority; Mr. Ibrahim Al Daghma, Chief, Legal Advice and Legislation Department, Palestinian Authority; Mr. Bishara A. Bahbah, Associate Director, Institute for Social and Economic Policy in the Middle East, Harvard University; Mr. Amin Baidoun, Director-General for International Cooperation, Palestinian Authority; Mr. Fouad H. Beseiso, Governor, Palestinian Monetary Authority; Mr. Abdel Hamid Bouab, Officer-in-Charge, Public Finance and Enterprise Management Branch, Department for Development Support and Management Services, United Nations Secretariat; Mr. Alfons Calderón Riera, Assistant Professor, Escuela Superior de Administración y Dirección de Empresas, Barcelona; Mr. Georges Capdeboscq, Counsellor, French National Audit Court; Mr. Alain Claisse, Professor of Public Law, Université de Paris; Mr. Ghassan El-Shakah, Mayor of Nablus; Mr. Musa D. Ghosheh, Head, Employees Bureau, West Bank; Mr. Yair Hirschfeld, Director-General, Economic Cooperation Foundation and Senior Lecturer, University of Haifa; Mr. George Jadoun, Technical Programme Manager, Training Focal Point for Palestine, ILO International Training Centre, Turin; Ms. Muna H. Jawhary, Economist-Consultant, London/Jerusalem; Mr. Gilles Johanet, Counsellor, French National Audit Court; Mr. Mustafa A. N. Natshe, Mayor of Hebron; Mr. Stephen B. Peterson, Research Associate, Harvard Institute for International Development, Harvard University; Mr. Shibley Telhami, The Brookings Institution, Washington, D.C.

9. The Presbyterian Church (USA) attended as a non-governmental organization.

C. Opening of the Seminar

10. At the opening session, a statement was made on behalf of the Director-General of UNESCO by Mr. Omar Massalha, Director, Coordination Unit for Assistance to the Palestinian People, UNESCO secretariat. A message from the Secretary-General of the United Nations was read out by his representative, Mr. Robert Gallagher, Deputy to the United Nations Special Coordinator in the Occupied Territories. Statements were made by Mr. Ravan A. G. Farhadi, Vice-Chairman of the Committee on the Exercise of the Inalienable Rights of the Palestinian People and by the representative of Palestine, Mrs. Leila Shahid, General Delegate of Palestine to France and Permanent Observer of Palestine to UNESCO.

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* Mr. Sameer Abu-Eisheh, Dean, Faculty of Engineering, Al-Najah University, who had accepted an invitation to present a paper at the Seminar, was not given an exit visa by the Israeli authorities. His paper was, however, circulated to the participants.

D. Agenda

11. The purpose of the Seminar was to provide a framework for an expert discussion on the problems of institution-building and socio-economic development, and on measures to be taken during the transitional period, with special emphasis on the questions of administration, management and finance in the light of the developments that have taken place in the course of the past year.

12. In the plenary sessions and in the course of the round-table discussions, the participants addressed the following general themes:

(a) Palestinian administrative, managerial and financial needs and challenges - the role of international assistance;

(b) The Palestinian Authority - needs and challenges of administration;

(c) Laying the foundation for public financial management;

(d) Supporting the development of Palestinian municipalities and public utilities;

(e) Human resources development and management - building institutional capacity.

II. SUMMARY OF PRESENTATIONS

A. Opening session

13. On behalf of the Director-General of UNESCO, Mr. Omar Massalha, Director, Coordination Unit for Assistance to the Palestinian People, UNESCO secretariat, welcomed the participants in the Seminar. He stated that, since 1950, UNESCO had been working through UNRWA in the areas of education, science and the preservation of the Palestinian cultural heritage and had also provided scholarships for Palestinians to study abroad. With the transfer of powers to the Palestinian Authority, UNESCO and the Palestinian Authority had elaborated and adopted a joint programme of assistance, regrouping 27 priority projects related to the UNESCO areas of activity. The programme, designed to contribute to the reconstruction and development of the self-governed territories, included strengthening Palestinian institutions and affirmation of the Palestinian identity; development of human resources, particularly through programmes of education and transfer of technology; creation of employment opportunities; and establishment of a lasting peace and interregional cooperation. In carrying out the programme, UNESCO would cooperate not only with the other organizations of the United Nations system but also with the principal donor countries and the United Nations Special Coordinator in the Occupied Territories. Mr. Massalha underlined that the primary objective of the United Nations in the areas of education, science and culture was to assist the Palestinian Authority in promoting the development of human resources and institutions towards the establishment of a modern and just society based on respect for peace, human rights, mutual understanding, solidarity and progress.

14. A message from the United Nations Secretary-General to the Seminar was read out by Mr. Robert Gallagher, Deputy to the United Nations Special Coordinator in the Occupied Territories. In his message, the Secretary-General of the United Nations stressed the important steps that had been taken since the signing of the historic Declaration of Principles on Interim Self-Government Arrangements (A/48/486-S/26560, annex) by the Palestine Liberation Organization (PLO) and the Government of Israel, in particular the Agreement on the Gaza Strip and the Jericho Area (A/49/180-S/1994/727, annex), signed at Cairo on 4 May 1994, the transfer to the Palestinian Authority of responsibility for important sectors of civilian life and the continuation of intensive negotiations on redeployment of the Israeli Defence Forces in the West Bank and for elections to a Palestinian Council. In his message, the Secretary-General said that the realization of the legitimate rights of the Palestinian people had long been a priority for the United Nations. The development of a comprehensive assistance programme aimed at removing inequities in the social and economic conditions of the Palestinians had been recognized as contributing to a stable base for the negotiating process, which, despite delays and set-backs, remained the only path towards a comprehensive, just and lasting settlement based on Security Council resolutions 242 (1967) of 22 November 1967 and 338 (1973) of 22 October 1973. Progress in the multilateral negotiations on Middle East regional issues directly affected the economic situation and well-being of the Palestinian people. The Middle East/North Africa Economic Summit, held at Casablanca from 30 October to 1 November 1994, marked an important first step towards building a new type of economic interaction in the region. The Secretary-General expressed concern at the slack pace of disbursement by the international donor community of contributions pledged for Palestinian development needs. The United Nations Special Coordinator in the Occupied Territories had undertaken the responsibility of strengthening local coordination among the United Nations programmes and agencies, the Bretton Woods institutions and the donor community. The Secretary-General noted that, in the common United Nations effort to assist the Palestinian people, the Committee on the Exercise of the Inalienable Rights of the Palestinian People continued to make a valuable contribution and that its mandate of promoting better understanding of the various aspects of the question of Palestine and enhancing awareness of the reconstruction and development needs of the Palestinian people had acquired new thrust and urgency.

15. The Vice-Chairman of the Committee on the Exercise of the Inalienable Rights of the Palestinian People said that the economic rebirth of the Palestinian people had become a possibility owing to the overall headway made in the peace process. In spite of the many disappointing set-backs, the Committee was encouraged that the parties appeared determined not to abandon the negotiating track and to move on to fulfilling all the elements of their agreements. Important steps had been taken to coordinate efforts with respect to the economic development of the Middle East and North Africa region, such as the Casablanca Declaration (A/49/645, annex), the forthcoming Amman Economic Summit, to be followed by the Euro-Mediterranean conference at Barcelona, and the joint communiqué issued on 12 February 1995 at Blair House, Washington, D.C. For decades, the United Nations, which marked its fiftieth anniversary this year, had been making efforts to find a comprehensive, just and lasting solution to the question of Palestine and had been providing much-needed assistance to the Palestinian people. Regrettably, the living conditions of the Palestinian people remained dismal and required urgent attention as well as the involvement

of the international community. While appreciating the impressive assistance effort and considerable funds pledged for the reconstruction of the Palestinian economy by the international donor community, the Committee was concerned that those resources were yet to reach in full the recipient Palestinian institutions. Since the beginning of the Madrid peace process, the Committee had welcomed the new developments and worked to promote the effective implementation of the Israeli-Palestinian agreements.

16. Reading out a message addressed to the Seminar by the Chairman of the Executive Committee of PLO, Mr. Yasser Arafat, Mrs. Leila Shahid, General Delegate of Palestine to France and Permanent Observer of Palestine to UNESCO, said that, since its creation, the Palestinian Authority had enabled the Palestinian people to build a free, democratic society. The Authority sought to guarantee the rights of Palestinian citizens and to enact laws for the building of a new Palestinian State and for a taxation system. The building of an effective administrative system required a great deal of planning and it was necessary to find financial resources for that effort, she said. The Palestinian Authority was being asked to set up effective administrative and financial institutions and it needed to find the necessary financial and technical assistance. Unfortunately, the funds thus far acquired had not been sufficient. She expressed appreciation to all the representatives of donor countries and the non-governmental organizations that had extended assistance to the Palestinian administrative and financial system. The current Seminar was being held at a critical juncture for the Palestinian people, when the Palestinian Authority was about to take responsibility in such areas as taxation and tourism.

B. Plenary session: Palestinian administrative, managerial and financial needs and challenges - the role of international assistance

17. The plenary session was reserved for statements by representatives of donor countries and other States, intergovernmental and national organizations, non-governmental organizations and organizations of the United Nations system.

18. The representative of France said that his country had been providing assistance to the Palestinian people long before the Oslo agreements. That assistance was based on clear and long-standing support for the rights of the Palestinian people. Assistance provided by France also testified to awareness of the economic difficulties facing the Palestinian Authority. The fragility of the Palestinian economy and its vulnerability to outside influences, the need to develop the private sector and the special situation of Palestinian workers were also matters which warranted special attention. He described in detail the contributions his country had made towards the various assistance programmes.

19. The representative of Italy said that his country attached great importance to the development of regions and peoples in the Mediterranean area. Italy had been participating in projects involving the Palestinian health sector, particularly in the area of institution-building. His country was prepared to expand those cooperation activities into other areas, based on the needs of the

Palestinian people. Such efforts could not but consolidate the peace process in the region.

20. The representative of Indonesia stressed that the current economic picture of the West Bank and Gaza Strip could be characterized as one of dependence and distortion. Periodic closure of the territories, the drop in aggregate demand as a result of high unemployment rates and a lower than expected inflow of economic aid had all stood as obstacles to progress. The speaker stated that there was a need for reconstruction of the human and physical infrastructure. In order to spur economic development, the requisite support structures and pragmatic policies enabling the Palestinians to compete effectively in external markets would be required. Economic ties with neighbours had to be rebuilt while reducing the existing imbalances in certain trade relationships. The speaker underlined the imperative need for donor countries to fulfil their commitments and expressed confidence that the efforts by the Palestinian Authority, Israel and the donor countries to help to ensure the realization of the various assistance pledges would overcome the obstacles to development.

21. The representative of Spain said that his country would continue to provide support to the Palestinian people in amounts similar to those it had provided in 1994. Attention should be paid to the establishment of effective administrative structures to ensure that the best use was made of such assistance. Spain attached importance to the Seminar; the high level of expert participation in it should result in a useful contribution.

22. The representative of Egypt expressed the hope that the Palestinian Authority and the Government of Israel would, in the next few days, reach an accord on the extension of self-government in the occupied territory, setting the stage for the redeployment of Israeli forces and the holding of elections for the Palestinian Council in accordance with the Declaration of Principles. The reports presented by the World Bank and the Special Coordinator in the Occupied Territories on the deterioration of the economic and social conditions in the occupied territory, in particular in the Gaza Strip, were alarming and challenged the peace process. Egypt stood ready to work with the Palestinian Authority, the other regional parties and the international community to bring about the full implementation of the Declaration of Principles. Security considerations should not overshadow the needs and aspirations of the Palestinians with respect to a political settlement and the economic development of the occupied territories. The sealing-off of the territories as a security measure was a self-defeating policy, both from the medium-term and long-term point of view.

23. The representative of OIC read out a message from Mr. Hamid Algabid, Secretary-General of the Organization, in which he said that the attainment of a long-sought peace in the Middle East needed support at all levels, especially in the economic and development area. The long years of Israeli occupation and the practices followed during its duration had led to a total deterioration of the economic infrastructure in the occupied territory and the loss of badly needed human resources. As a guarantee to peace and security in the region, it was imperative for the international community to extend all types of economic and financial support and aid to the Palestinian Authority. The Seventh Islamic Summit, held in December 1994 in Casablanca, Morocco, had called for support for

the international programme of economic, social and cultural development of the occupied territory and for support for the Palestinian Authority. OIC fully supported the peace process in the Middle East and the agreements reached as part of that process.

24. The representative of the League of Arab States stressed the need to find solutions to current problems, so as to enable the Palestinian people to set up its institutions, rebuild its homeland and establish an independent State. During the last two sessions of its Council, the League had adopted resolutions related to Palestinian development. The General Secretariat of the League had included in its letters of agreement with the World Bank paragraphs concerning the setting up of projects in the occupied territory. Also, in cooperation with the Geneva-based Institution de coopération palestinienne, the Secretariat of the League was preparing a conference aimed at enhancing research on the question of Palestinian reconstruction and development. The General Secretariat had established contacts with a number of parties concerned with a view to providing the necessary support to the Palestinian people.

25. The representative of India, Chairman of the Group of 77 at UNESCO, read out an extract on Palestine from the Ministerial Declaration issued by the Group on 30 September 1994, reaffirming its support for the Palestinian people as it strived to attain its inalienable rights. The Group also reaffirmed the permanent responsibility of the United Nations towards the question of Palestine and emphasized the need for international assistance to support Palestinian development efforts in the economic and social fields. The Ministers had reaffirmed their support for the peace process initiated at the Middle East Peace Conference in Madrid, which aimed at achieving a comprehensive, just and lasting peace in the Middle East based on Security Council resolutions 242 (1967), 338 (1973) and 425 (1978) of 19 March 1978 and the principle of land for peace.

26. The representative of the Department for Development Support and Management Services of the Secretariat said that, in response to General Assembly resolution 48/213 of 21 December 1993 and the statement made by the Secretary-General at an inter-agency meeting on 29 June 1994, the Department had sent a reconnaissance mission to the Gaza Strip in January 1995. The mission had prepared two reports, one on decentralization services and Palestinian capacity-building, and the other on a programme for developing the institutional capacity of the Palestinian Authority. A comprehensive programme, based on in-depth assessment of needs, could include the following components: improvement of the government policy-making process; rationalization of organizational structures of the public sector; decentralization and district administration for development; improvement of financial performance and policies; strengthening of the human resource management system/public personnel; addressing management training needs; encouraging participation by women in management; establishment and development of management information systems; and rationalization, modernization and consolidation of legislation.

27. The representative of ILO said that, despite the developments in the peace process, much remained to be done to provide and ensure employment opportunities for Palestinian workers. ILO believed that the employment challenge could be met only by the adoption and implementation of a comprehensive and integrated

employment programme that would include long-term strategies and short-term measures addressing some of the worst symptoms. Six essential components of such a programme were (a) ensuring the policy environment and institutional capacity for long-term sustained economic growth; (b) securing employment opportunities outside the West Bank and Gaza Strip, particularly as agreed in the Protocol on Economic Relations (see A/49/645, annex) between the parties; (c) taking measures aimed at the improvement of the environment for small enterprises; (d) the construction, rehabilitation and maintenance of much-needed infrastructure; (e) the creation of an adequate and comprehensive social safety net aimed at protecting unemployed workers, widows, orphans, the sick and the disabled; and (f) the priority need for reform and reformulation of the vocational training system.

28. The representative of UNHCR read out a note from the United Nations High Commissioner for Refugees to the Seminar. Throughout the past several decades, UNHCR, in cooperation with States concerned, the Secretary-General and UNRWA, had been involved in dealing with the numerous protection problems and needs. Since 1987, the Executive Committee of UNHCR had continuously reaffirmed its concern, inter alia, about the lack of adequate protection for a large number of Palestinians. In recent years, particularly in the aftermath of the Persian Gulf War, UNHCR had intensified its efforts to safeguard the principle of family unity of Palestinians residing outside the mandate area of UNRWA and had been engaged in facilitating returns and family reunions to countries of former residence or where relatives had taken lawful residence. UNHCR would in future continue to stand ready to assume fully its mandate and responsibilities and thus contribute to stability and reconstruction needs within the limits and modalities agreed upon by the parties involved and other States and bodies concerned.

29. In his statement, the representative of the United Nations Special Coordinator in the Occupied Territories said that, since his appointment in 1994, Mr. Terje Rød Larsen had set out to meet the requirements of the first implementation agreement. That work included (a) supporting the ongoing activities of the United Nations in the occupied territory; (b) facilitating development of public works projects in the Gaza Strip; (c) establishing coordination mechanisms on the ground, in cooperation with Member States, the Palestinian Authority and the World Bank, to ensure the efficient and effective disbursement of pledges made at the Conference to Support Middle East Peace; and (d) coordinating training and other assistance for incoming Palestinian police. The speaker focused on the various structures set up by the donors for overseeing the assistance effort, within which the Office of the Special Coordinator was operating, including those established at the suggestion of the United Nations at the Ad Hoc Liaison Committee meeting at Brussels in November 1994, for example the Local Aid Coordinating Committee. Also, at the suggestion of the United Nations, the Joint Liaison Committee had been reorganized to include the Palestinian Authority as gavel holder, Norway, in its capacity as Ad Hoc Liaison Committee Chair, the United Nations and the World Bank as joint secretariat, and the United States of America, the European Union and Japan. He emphasized that the United Nations was playing a major role in the mechanisms set up by donors and in influencing decisions of the Ad Hoc Liaison Committee.

30. In his statement, the representative of UNCTAD gave a detailed description of the needs and challenges facing the Palestinian Authority, such as the need for the establishment and development of functional government agencies at the central and local levels, the reform of the public finance and tax systems and the supply and management of public utilities. Full-fledged programmes of technical assistance had to be developed to address those needs. Accordingly, UNCTAD had formulated and discussed with the Palestinian Authority such a programme, aimed at achieving the following objectives: strengthening the technical, managerial and information capacities of Palestinian public- and private-sector institutions responsible for international trade and related fields; formulating policy/strategy options enabling the various sectors of the Palestinian economy to exploit emerging market opportunities effectively; enhancing and developing the capacity of the commodity producing sectors; assisting in the infrastructure necessary for the creation of an adequate and efficient transport system; reforming the overall legal and regulatory framework, along with institutional capacities; and strengthening Palestinian technical and institutional capacities in financial intermediation, analysis and management of financial flows.

31. The representative of UNDP stated that, over the past 15 years, UNDP had been supporting municipal and village councils in the planning, management, operation and maintenance of large-scale infrastructure investments. It had been providing support to municipalities in the water and sanitation sectors, and through its local rural development programme had also supported rural infrastructure investments. It had also facilitated the upgrading of nine village councils in the West Bank and Gaza Strip to the status of municipality councils. A new dimension was added to the work of UNDP with the establishment of the Palestinian Authority. Through a major funding contribution by the Government of Japan, UNDP was providing "emergency-type" start-up funding and procurement support to 14 departments of the Palestinian Authority, the Palestinian Economic Council for Development and Reconstruction, the Palestinian Central Bureau of Statistics and other bodies. As part of its gender-in-development programme, funded through a contribution from the Government of Norway, UNDP was sponsoring leadership and management training for women professionals in the Palestinian Authority. Another important programme was the Transfer of Knowledge Through Expatriate Nationals. The speaker said that five areas of focus in public administration development had been provisionally identified and prioritized for support, both from UNDP and from other United Nations system agencies and donors: (a) strengthening the capacity of the Palestinian Authority to steer and implement a public administration development programme; (b) initiation of a public administration training programme for civil servants; (c) clarification of the roles and responsibilities of the departments of the Palestinian Authority; (d) strengthening municipal and village councils; and (e) supporting the legal system.

32. The representative of WHO said that his organization had provided fellowships to Palestinian physicians, helped to monitor the health situation in the occupied territory and trained Palestinians in health care. During the intifadah years, it had assisted in helping non-governmental organizations dealing with the needs of the injured. WHO was now involved in supporting the right of the Palestinians to be in charge of their own health services. The Palestinian Authority had to reconstruct the entire infrastructure, including

the health services infrastructure, which had deteriorated during the occupation. The relatively modest resources needed to support Palestinian needs in the health sector would undoubtedly help promote the peace process. In coordination with the United Nations Special Coordinator in the Occupied Territories, WHO had worked most recently to define a United Nations health care strategy for the self-government areas. The strategy involved inputs from UNRWA, UNDP, the United Nations Children's Fund (UNICEF), the World Food Programme (WFP) and WHO.

33. Mr. Bishara A. Bahbah, Associate Director, Institute for Social and Economic Policy in the Middle East, Harvard University, informed the Seminar of the University's involvement in providing assistance to the Palestinian people following a grant of one million dollars for the purpose provided by a United States philanthropist. A fact-finding mission from Harvard had been organized in early 1994. As a result, a programme of technical assistance to the Palestinian Authority had been developed, which was subdivided into three main areas: providing Harvard consultants to work with the finance, planning, health, education and tourism departments of the Palestinian Authority; training Palestinian officials at Harvard; and providing expertise on the organization and structure of the Palestinian government.

C. Round-table discussions

Round table I: The Palestinian Authority - needs and challenges of administration

34. The round table was moderated by Mr. Shibley Telhami, who also prepared the summary of the discussion.

35. Mr. Ibrahim Al Daghma, Chief, Legal Advice and Legislation Department, Palestinian Authority, made a presentation dealing with the issue of establishing a new legal framework in the West Bank and Gaza Strip, describing in detail the functioning of the existing legal system. He also outlined measures needed for the restoration and integration of the judicial authorities of the two areas. Mr. Al Daghma then focused on the concrete steps taken by the Palestinian Authority with a view to rebuilding the legal system. These steps included the following: (a) the establishment by the Palestinian Authority of a new legislative body called the Legal Advice and Legislation Department; (b) the harmonization by the Legal Advice and Legislation Department of the legislation presently in force in the West Bank and Gaza Strip; (c) the establishment of legal committees, composed of judges, lawyers and legal advisers, for the study of and designing a course of action on particular types of legislation (e.g., company law or land law); and (d) a public discussion of the bills prepared and released by the Legal Advice and Legislation Department. Mr. Al Daghma expressed the view that, in drafting a constitution, the Palestinian Authority would encounter two principal groups of obstacles and problems: restrictions by Israel of the authority of the Palestinian judiciary, and material obstacles.

36. Mr. Yair Hirschfeld, Director-General of the Economic Cooperation Foundation and Senior Lecturer at the University of Haifa, described, from an Israeli perspective, the setting that affected the establishment of the

Palestinian Authority and the Oslo peace process. In his view, the Oslo process had created major historic change and had resulted in two major achievements - the decision by the Israeli and the Palestinian leaders to negotiate instead of fight and the creation of the self-governing Palestinian Authority, which provided the administrative foundations and the structure for a future Palestinian State. The speaker said that among the prevailing challenges for the Palestinian Authority were the ones in the areas of peacemaking, internal politics, organization, socio-economic development and the development of a Palestinian legal system. Having summed up the challenges of the emerging Palestinian administration in the various fields of its activity, Mr. Hirschfeld put forward the following three conclusions: (a) the achievements of the Palestinian Authority had so far outweighed its failures; (b) given the Palestinian hostility towards Israel and the continuing Israeli occupation of the Palestinian territory, there was a need for a change of attitude and the development of new behaviour patterns by the Israelis and the Palestinians alike; and (c) observing the challenges of Palestinian state-building, the Israelis should guard their own legitimate interests, while wishing the Palestinians success in their effort.

37. Mr. Alfons Calderón Riera, Assistant Professor, at the Escuela Superior de Administración y Dirección de Empresas in Barcelona, focused on the institutional foundations for governance as it applied to the Palestinian case. He addressed the questions of management, both public sector management and public management. In discussing the Palestinian "state-building" case, Mr. Calderón explored in detail the following points: the need for a model in state-building; the importance of transformational leadership and political vision; the need for social and grass-roots participation; the building of a specific legal and economic framework; and the importance of catalysts to accelerate the state-building process. Palestinians, in his view, should take advantage of the fact that they are creating a new Administration, not just reforming an old one. He also emphasized that the above-mentioned five points were a matter related to institutional development and not merely a question of making new Palestinian organizations work. The concept of institutional development was more related to governance than to the particulars of administrative reform.

38. In his presentation, Mr. Amin Baidoun, Director-General for International Cooperation, Palestinian Authority, discussed the issue of institution-building and enhancing the institutional capability of the Palestinian Authority. He gave a brief overview of the situation in the occupied territory prior to the signing of the Declaration of Principles and of the changes that had taken place since September 1993. He stressed that, in order to achieve the desired goals and objectives, the Palestinians would have tc address the following issues: (a) speeding up the process of institution-building so that responsibilities could be properly defined and executed; (b) accelerating the establishment of the legislative mechanism concurrently with the political process and negotiations; (c) establishing a coherent and systematic approach to achieving the objectives since the ad hoc project approach had proved to be wasteful and ineffective; (d) establishing a mechanism enabling the Palestinians to rely on their own resources and mobilize private, non-governmental and public sectors towards achieving the objectives; (e) establishing a comprehensive plan and a set of economic and social policies; and (f) focusing on sectors that would

ensure employment, generate hard currency and have a potential for high growth rate and productivity. If the Palestinians succeeded in achieving the above-mentioned objectives, the international community as a whole and donor countries and Israel, in particular, would have to recognize their moral responsibilities and fulfil their obligations towards the Palestinian people at the political, economic and financial levels.

39. In the discussion that ensued, the participants highlighted the significant financial and resource constraints that the Palestinian Authority was facing. Even more important were the constraints emanating from the Israeli control of the territories. The economic, social and human effects of the continuous closures of Gaza, parts of the West Bank and East Jerusalem were emphasized. The concept of industrial parks was raised, stressing that major issues of that concept remained unclear. With regard to the institution-building process, it was said that despite the many daily problems and challenges, the institutional development should not be carried out on an ad hoc basis, but be seen in its local, regional and national dimensions, which required strategic thinking and vision. A major challenge remained the building of an effective legal system.

Round table II: Laying the foundation for public financial management

40. The round table was moderated by Mr. Stephen B. Peterson, who prepared a summary of the discussion.

41. Mr. Fouad H. Beseiso, Governor of the Palestinian Monetary Authority, made a presentation on the role of the public sector in facilitating private financial investment in the West Bank and Gaza Strip. He identified the following prerequisites needed to encourage private financial investment: the existence of an infrastructure that could support the expected growth in the industrial base; government institution-building to handle development projects; an adequate legal and organizational structure, providing investment guarantees and security for investors; political stability, leading to economic and financial stability; a well-developed banking system to support the needs of private investors; building up of public awareness towards investment by Palestinians of their savings in a form other than foreign currency holdings; stability in the currency exchange rate; and price stability. Pursuant to the above-mentioned conditions, the Palestinian Authority has already taken some steps, including the establishment of the Palestinian Monetary Authority, and had hired capable staff. Mr. Beseiso discussed in detail such issues as the need for building the Palestinian infrastructure, Palestinian institution-building, the legal framework, the role of the Palestinian Monetary Authority, the role of savings and financial institutions and the financial framework.

42. Mr. Atef Alawneh, Deputy Head of the Department of Finance of the Palestinian Authority, said that immediately after the signing of the Declaration of Principles, preparations had begun for the establishment of the Department of Finance, taking into consideration its significance for the Palestinian economy. These included the establishment of the Revenue and Expenditure Department and other support departments. Also, in the course of the formation of the Palestinian Authority, steps were taken to guarantee the proper administrative and technical performance of the Department of Finance. These measures addressed the general expenditure administration (e.g., budget

preparation and implementation, accounting systems, auditing and accountability), general revenue administration (e.g., tax administration, policies and education, clearance from the Israelis and from customs, value added tax on imports and customs policy). In its work, the Department was striving to achieve accountability and transparency. The speaker also gave a detailed account of the West Bank and Gaza Strip Tax Administration, explaining measures recommended by the Department and action taken on those recommendations.

43. In his presentation, Mr. Stephen Peterson, Research Associate at the Harvard Institute for International Development of Harvard University, focused on the development of an efficient revenue system for the Palestinian Authority. He described four major constraints hampering the improvement of the revenue system: the separation between the tax offices in the Gaza Strip, Jericho and the West Bank; continued dependency on the Government of Israel for tax information; an attitude that weakened the environment for compliance; and the limited experience of staff in tax policy and administration. Mr. Peterson emphasized that by far the most important of these constraints was the poor environment for compliance, to which the other three constraints contributed. He highlighted areas that addressed the above-mentioned constraints: management, compliance, policy and strategy. While the first three areas dealt with specific constraints that needed to be overcome, the area of strategy addressed ways of managing the reform process of the tax system. Attention to strategy was especially important for the Palestinian Authority, as the constraints were great, resources were limited, expectations were high and the time frame was short.

44. In her presentation, Ms. Muna Jawhary, an economist and consultant working in London and Jerusalem, dealt with the issue of indirect taxation in the West Bank and the Gaza Strip with special emphasis on customs and value added tax revenues. She gave an overview of indirect taxation in the West Bank and the Gaza Strip, stating that there existed several reasons for the low percentage of revenue from Palestinians in the gross domestic product. First, customs revenues in the West Bank were only expected to accrue to the Palestinian Authority in the second half of 1995. Secondly, as an emerging fiscal department, the Department of Finance of the Palestinian Authority was not expected to reach its full potential, in terms of revenue collection and administration, before some time. Thirdly, the revenue clearance agreed with Israel did not appear to be fair, as far as the Palestinians were concerned. Ms. Jawhary identified four measures needed to reduce the fiscal leakage and/or increase the revenues of the Department of Finance: (a) compensation to the Palestinians by Israel for the price-raising effect of its protectionist trade regime towards Palestinian consumer prices; (b) application of strict rules of origin - revenue clearance for the Palestinians by Israel should include customs and taxes on goods imported from Israel that were not of Israeli origin; (c) negotiating a revenue-sharing formula based on the macroeconomic approach or total trade flows, rather than the present micro-economic approach or individual invoices; and (d) in connection with points (a) and (c), negotiating with Israel on the proper coding of goods flowing between Israel and the West Bank and the Gaza Strip and redesigning the unified invoice so as to provide information on the origin of goods sold by Israel to the West Bank and the Gaza Strip.

45. In his presentation, Mr. Georges Capdeboscq, Counsellor in the French National Audit Court, spoke on verification mechanisms in public accounting. He said that a dual system was used in France. Under that system, accountants were separated from persons who approved accounts. In addition, public accountants bore personal financial liability for their actions and policy decisions. The audit office had an independent jurisdiction, the audit account controlled the regularity of operations and financial decisions on imposing fines were deliberated after hearing statements by the persons concerned. He said that regional and territorial chambers had been established. Those chambers were independent and had magistrates who judged accounts and could also intervene in budgetary controls. There was a central accounting office in the treasury and weekly summaries were published by the treasury. There was daily monitoring of receipts. Laws had been enacted governing transparency and regularity in market procedures. An inter-ministerial mission of enquiry on public markets had been created. Another law involved preventing corruption and promoting the transparency of public life.

46. Mr. Gilles Johanet, Counsellor in the French National Audit Court in Paris, spoke on the establishment of a social security system. His country had made mistakes in building its social security system and he could therefore speak of errors, which should not be made by the Palestinian authorities. The scope of application of social security must be considered. It generally included accidents in the workplace, health and age risks, unemployment and sickness. He discussed the issues of management and financing of social security. Different countries had different solutions. Autonomy of the system was potentially good, as the State had no advantage in managing social security on the front lines. However, with State management, the control of expenditures was potentially more effective. In France, the system of checks was ensured by an audit office. The management of age risk could be concentrated in one system throughout the country. Such concentrated management was more viable than decentralized management. On the question of financing, he said that taxes permitted better control by the State. In the Palestinian territories, there were restraints, including a high unemployment rate. Also, it was necessary to anticipate demographic and sociological developments, with the aim of maximizing the usefulness of services. For example, in the management of old age, one must study and consider the amount of pensions, the amount of contributions, the duration of pension payments and the duration of contribution payments. The request for health services was unlimited and the supply of care was not spontaneously adapted to demand. To manage costs, access to health care must take place through a physician who was a coordinator, who centralized all medical data and who ensured the continuity of health care. A coding system must be established to make it possible to distinguish between pathologies in order to control expenses. Several such coding models existed.

47. Mr. Abdel Hamid Bouab, Officer-in-Charge of the Public Finance and Enterprise Management Branch of the Department for Development Support and Management Services of the United Nations Secretariat, stressed in his presentation the need to implement procedures for streamlined public expenditures and to support emergence of a private sector for financial sector development. It was important to develop aid-management and accountability mechanisms and to have a sufficient number of Palestinian policy analysts, economic managers and institutions. In the area of resource mobilization, there

was a need for revenue administration. Techniques for public expenditure rationalization must be developed. The savings issue and debt management were also part of the public financial management process. An aid-management and accountability process must be developed, with a view to satisfying domestic and donor country requirements. Implementation of such measures should promote the growth of the economy. The growth of the economy would expand the tax base and facilitate improvement of the budgetary position. That, in turn, might enable the monetary authorities to provide increasing levels of resources in support of private sector development, domestic and foreign investment and further opening of the economy. An effective administration would be required to implement those programmes.

48. The discussion touched on some of the major areas of public financial management, including capital markets, budgeting, public accounts and revenue systems. It became clear that the Palestinian Authority intended to develop a very sophisticated administrative system with a very high standard of administrative excellence. This was mainly because of the academic background of many of the senior administrators, who had previously participated in building many of the States in the region. The slow pace of change, however, had led to considerable frustration, compounded by the deterioration of the economy and the living conditions of the citizens. Building administrative capacity had to be done in the context of a very fragile economy. Revenues had been declining, border closures had caused severe economic dislocation and existing resources were very limited, the major constraint being the lack of funds to pay a living for the staff. As a consequence, the desired calibre of staff could not be attracted. Another constraint was the lack of experience of staff, especially senior staff, who had been excluded from meaningful administrative functions during the occupation. A number of recommendations were made: regarding value added tax, comprehensive data should be collected, public accounts should be established to demonstrate accountability and transparency and an effective and reliable tax information system was required. The demand for high standards had to be balanced with the need to develop rapidly a working administrative system.

Round table III: Supporting the development of the Palestinian municipalities and public utilities

49. The round table was moderated by Mr. Francis Dubois, who also prepared a summary of the discussion.

50. Mr. Mustafa Abdel Nabi Natshe, Mayor of Hebron, spoke in his presentation about the need for support for the development of the Palestinian municipalities and public utilities. He described the infrastructure situation in the occupied territory, focusing on such areas as energy, water supply, transportation, sanitation and solid waste disposal. Mr. Natshe emphasized the need to improve the existing public services and infrastructure. The recovery programme should start with technical assistance and studies to build a technical capability and an institutional framework to develop rational policies and efficient investment programmes. Particular attention should be given to the creation of analytical capacity for the economic and financial evaluation of investment and operational improvement priorities. Also, significant funding was needed, initially to carry out rehabilitation work, and subsequently to expand capacity to meet

demand. Measures to foster effective provision of infrastructure services by local government included (a) establishing a rational, transparent, legal foundation for local government with an appropriate degree of local discretion over issues of local interest; (b) implementing a more appropriate assignment of revenues providing greater local autonomy over user charges and local taxes; and (c) introducing more systematic and transparent criteria for allocating capital investment funding.

51. In his presentation, Mr. Ghassan El-Shakah, Mayor of Nablus, addressed the problems facing his municipality, which was the largest Palestinian population centre with some 150,000 inhabitants. He noted that the municipality currently employed 1,200 persons in the various departments and divisions of public administration. As a result of 28 years of occupation, the infrastructure of Nablus had been virtually destroyed. Mr. El-Shakah explained in detail the nature of the town's problems in the areas of water supply, power supply, sanitation and the environment, road, public facilities and housing construction, education, health and health services, and the labour force and employment. He stressed that the peace process had raised hopes of real change, buttressed by undertakings to assist the Palestinian people in its effort to reconstruct what had been destroyed by years of occupation and to revitalize the various branches of activity. The donor States, however, had yet to deliver the pledged assistance. Mr. El-Shakah also appealed to the United Nations, as the leading international organization, to examine the above-mentioned problems and expedite the task of finding solutions through the specialized agencies and other organizations, the World Bank and the donor community.

52. Mr. Atef Alawneh, Deputy Head of the Department of Finance of the Palestinian Authority, made a statement aimed at filling the gap left by the two speakers who could not be present. He said municipalities were faced with a number of obstacles. These included limitations imposed by the old laws, on which the town councils were based, lack of financial resources, problems with urban planning and political factors, which resulted in the continuation of military governors in many towns over long periods of time. Town councils should insist on receiving directly levies, duties and taxes on the services they provided. There should be no exemptions or subsidies for many families. Problems also arose when people refused to pay taxes or levies on account of political arguments. The town councils should be able to change local taxes in order to obtain revenues. The Department of Finance was prepared to cooperate with local councils, but projects must be carried out on a commercial basis in order to generate revenues and there must be no exemptions on local taxes and dues. There were plans for national public utilities. Expertise was needed for the development of an administrative system that would support local governments and ongoing training must be provided. Local elections must take place immediately to fill the political void in many towns.

53. Mr. Hussein Al-A'raj, Deputy Head for Local Government of the Palestinian Authority, discussed in his paper the problems faced by the local Palestinian organizations and put forward a number of recommendations in that regard. He identified the following problems: (a) the absence of a single governance legislation in the Palestinian territories; (b) the inability of the local units to undertake major income-generating projects of any use; (c) the absence of elected local councils in a large majority of population centres, which

precluded any development activity; (d) the urgent need to restore and strengthen relations between the local population and local councils; (e) the lack of training and development of administrative and technical staff in local organizations; (f) the need to create conditions conducive to the payment by citizens of value added tax to the municipalities; (g) the negative effect caused by the lack of local councils and years of occupation on the condition of roads and residential buildings; (h) the need for the local councils to express their local individuality in dealing with the central authorities; (i) the lack of financial resources and of an incentives system in local organizations, preventing them from hiring qualified administrators and executing projects; and (j) the need for the municipalities to reassume their role as service providers, leaving the political and leadership roles to the central authority. Given those problems, Mr. Al-A'raj put forward the following recommendations: (a) the donor community should honour its commitments; (b) a Palestinian administration and management academy should be established; (c) an information policy or plan should be adopted to strengthen confidence between citizens and local units; (d) Palestinian local legislation should be adopted providing for council elections, which should follow the general elections; and (e) local units should amend their policy regarding the provision of services.

54. Mr. Sameer A. Abu-Eisheh, Dean, Faculty of Engineering, Al-Najah University, Nablus, addressed in his paper the issue of the development of Palestinian public utilities. He described the current condition of the public utilities, including water, electricity, sewage systems and solid waste treatment. Constraints on the development of the public utilities included the lack of a development plan and institutional structures, limited administrative and managerial skills of personnel, dependence, to a large extent, on the Israeli systems, the inadequate technical condition of the Palestinian systems and limited financial resources. Mr. Abu-Eisheh outlined development strategies to be introduced and implemented in order to remedy the overall and sub-sectoral condition of public utilities. The overall sector development strategy included establishing the institutional frameworks on the various levels, preparing an overall public utilities plan, drafting the proper legislation, establishing educational and training programmes and promoting public and private investment towards the development of the sector. The sub-sectoral development strategy should cover such areas as water, electricity and sewage and solid waste treatment.

55. During the discussion, participants stated their consensus with regard to the need to reinforce Palestinian municipalities and public utilities in all sectors, in particular infrastructure, health, water supply and sanitation, education, social services and culture. Any progress in those areas would increase support by the Palestinian population for the peace process. It was stressed that particular efforts were required to facilitate the immediate delivery of technical and financial assistance to all public sectors, but especially to the municipalities, villages and town councils. The positive experience of the Jordanian Development Bank for Villages and Towns for the implementation of numerous projects in the municipal areas should be taken into account while developing similar structures in the Palestinian territory. The Department of Local Government should be strengthened. Municipal elections should not get mixed up with the forthcoming elections of a Palestinian

Legislative Council; however, in some places a combination of the two processes might be feasible.

Round table IV: Human resources development and management - building institutional capacity

56. The round table was moderated by Mr. Robin Poppe, who also prepared a summary of the discussion.

57. Mr. Shibley Telhami of the Brookings Institution, Washington, D.C., said in his presentation that there was substantial underutilization of human resources in the occupied territory. That situation was partly attributable to political factors affecting the Palestinian Authority, which faced a number of constraints in the formation of the police and for the staffing of the Department of Justice and the Attorney-General's office. Significant resource constraints included a lack of laboratories, computers and scientists in the criminal field, as well as low salaries. There were also political and legal constraints. Mr. Telhami felt that use should be made by the Palestinian Authority of the skills and experience of Palestinian non-governmental organizations.

58. Mr. Bishara A. Bahbah, Associate Director of the Institute for Social and Economic Policy in the Middle East of Harvard University, dealt with the issue of building management potential for human resource development. He identified the challenges and problems facing the Palestinian Authority and presented some ideas on what was needed to build a proper base for human resource development. Mr. Bahbah said that among the problems and challenges were the following: physical separation of the West Bank from the Gaza Strip; low salaries of the Palestinian Authority employees; understaffing of some Palestinian bodies; inadequate training of the employees; the proliferation of academics rather than experienced managers in top positions of the Palestinian government; political appointments for high-level positions; the need for reconciliation of the varying cultural and professional backgrounds in the emerging Palestinian institutions; the lack of coordination among and within the Palestinian bodies; and the need for a better coordination of the wide-scale international consultancy and other assistance. Mr. Bahbah also described the effort by a group at Harvard University, headed by Mr. Courtney Nelson, to establish a human resource development unit within the Palestinian Authority.

59. In his presentation, Mr. Musa D. Ghosheh, General Director of the Employees Bureau of the West Bank, addressed the issue of building a Palestinian public personnel system and structure. He said that the law, to be applied in the Palestinian society, should interact with the new developments which would require a strong administrative structure for human resources and their development. That objective could be achieved by establishing special task forces in order to deal with such matters as personnel procedures, employee selection, processing of information and administrative statistics and to carry out studies to determine the training needs. Mr. Ghosheh said that, in the employment framework, his Office suggested dividing jobs into four categories: a senior jobs group (deputies, assistant deputies and directors); a public jobs group, comprised of 10 grades; a vocational group (uneducated labourers); and a service jobs group (janitors and security guards). He explained the criteria to be applied in selecting employees in those categories. The speaker also

described in detail the general guidelines currently applied in the Employees Bureau.

60. In his presentation, Mr. Alain Claisse, Professor of Public Law, Université de Paris, said that, in establishing a state of law and good governance, there must be a consistent strategy and a realistic diagnosis of the situation upon which to base a plan of action. A census must be conducted to determine the need in civil servants. Training plans must be consistent and must take account of supply and demand. In addition, there should not be a proliferation of laws; a stock must be taken of the many laws that had been applicable in the past. There must be a very clear division of competence among the departments. A merit system that will encourage the staff to work harder should be established. It was not enough to focus training efforts on senior officials at the expense of lower and intermediate staff; apprenticeships could be used for unskilled workers.

61. Mr. George Jadoun, Technical Programme Manager, Training Focal Point for Palestine at the ILO International Training Centre, Turin, said in his presentation that problems facing the Palestinian Authority included the absence of a legal framework for the Palestinian civil service. Another problem was inadequate funding due to limited tax revenue and the reluctance of donors to disburse their contributions directly through the Palestinian Authority. In addition, there was a shortage of indigenous administrative, managerial and technical expertise for the immediate task of rehabilitating infrastructure and stimulating the private sector. Training requirements should focus on capacity-building, with emphasis on management and policy-making functions in the civil service. In the absence of an overall institutional design for Palestinian public administration, attempts at setting the Palestinian civil service into motion had sometimes resulted in duplication of areas of competence. A workshop could be held in the West Bank to build on the findings of the present Seminar. It could develop an action plan for human resource development in the civil service.

62. In the discussion, participants emphasized the decisive role of the human factor in building the Palestinian Authority. Concerted efforts of the Palestinians in charge of human resources development and the international donor community were required to build the necessary public personnel structures. The recruitment of diaspora Palestinians had to be balanced by the involvement of Palestinians living in the territory. In that regard, it was stressed that Palestinian non-governmental organizations provided a reservoir of knowledgeable and highly motivated personnel. Training capacities for all levels of the administration should be enhanced, focusing at the present stage on the training of trainers, thus using the multiplicating effects of such an approach. Whereas training on the ground should be given priority, courses abroad, in particular for senior administrators, should bring together managers of different countries to share their experience. Priority should be given to the promotion of the participation of women at all management levels.

D. Closing session

63. In her statement, Mrs. Leila Shahid, General Delegate of Palestine to France and Permanent Observer of Palestine to UNESCO, said that human resources development and management would be of great importance for the Palestinian people in the years to come. She stressed that the question of Palestine was unique in terms of decolonization and state-building. There was no other example in which state-building took place at the same time as negotiations on the end of the occupation were still under way. Most of the Palestinian participants at the Seminar came from areas that were still under military rule, and most of the matters discussed during the meeting could not be implemented in the absence of total sovereignty. Being one of the last countries to acquire independence, a lot could be learned from the achievements of others in the decolonization process. Human resources represented the greatest resource of the Palestinian people. Its primary need was to build a strong, efficient, light, transparent and imaginative national authority in order to overcome division. Having a strategy and the required leadership would help both the Palestinian people and those who wished to help them.

64. The Chairman of the Committee on the Exercise of the Inalienable Rights of the Palestinian People, in his closing remarks, said that the Committee would continue to act primarily in the international political arena and address such fundamental issues as the question of Jerusalem, the settlements and refugees. At the same time, the Committee had felt increasingly the necessity to make a contribution to promoting international assistance for reconstruction and development and for strengthening Palestinian institutions on the ground during the transitional period. The Palestinians, despite the promise made in the Covenant of the League of Nations, had not yet been able to achieve independence. He said that the United Nations had permanent responsibility towards the question of Palestine until it was resolved in all its aspects in accordance with international legitimacy. Meeting Palestinian needs in establishing a viable and effective administration in the area under the Palestinian Authority was an essential stepping-stone in the struggle for self-determination. Also, well-functioning institutions of government, a developing economy, the creation of employment opportunities and the effective provision of social services were interrelated issues, which, if addressed satisfactorily, would provide solid foundations for the new stages of the peace process. Responding to comments made by participants, the Chairman stated that the Committee would consider appropriate follow-up to the various recommendations made in the course of the Seminar.

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GENERAL ASSEMBLY
Fiftieth session
Items 39, 75 and 81 of the
preliminary list*
LAW OF THE SEA
STRENGTHENING OF SECURITY
AND COOPERATION IN THE
MEDITERRANEAN REGION
MAINTENANCE OF INTERNATIONAL
SECURITY

SECURITY COUNCIL
Fiftieth year

Letter dated 12 July 1995 from the Permanent Representative of Turkey to the United Nations addressed to the Secretary-General

With reference to the letter addressed to you by the Permanent Representative of Greece, dated 29 June 1995 (A/50/264-S/1995/526), I must take strong exception regarding its tone and content.

To begin with, the letter of Mr. Zacharakis aims once again at distorting facts and fails to address the main issues in focus and in that respect stands to be out of context.

Unfortunately, it appears that Greece still continues to stand by its past irredentist aspirations. Since the foundation of the nation State of Greece some 160 years ago, on five occasions it has tripled the size of its territory, mostly against Turkey. Two other attempts by Greece at expansion towards the east were repulsed, in Anatolia in the 1920s and in the eastern Mediterranean region in the 1970s.

On the other hand, in the course of these 160 years, Turkey has not acquired an inch of Greek territory.

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* A/50/50/Rev.1.

The foreign policy of the Republic of Turkey has been one of moderation. Turkey has had no territorial ambitions beyond its national borders. Unlike Hellenism, which, as a national ideology, has no limits, the Turkish national pact aims to preserve the existing Turkish borders. Turkey continues to respect fully the territorial integrity of all its neighbours, including Greece.

As for the Cyprus issue, the Turkish intervention in 1974 was based on an international treaty and therefore was totally legitimate. Mr. Zacharakis should also recognize the responsibility of his country in the current state of affairs in Cyprus, by perpetrating a coup d'état in 1974 with the aim of annexing Cyprus to Greece.

The Greek allegation that Turkey poses a threat to Greece is by all measures a misrepresentation. Such an allegation is used by Greece as a pretext for its expansionist goals and hostile attitude towards Turkey. It is Greece that has territorial ambitions in areas beyond its territories, not only in the Aegean, but also in the eastern Mediterranean, Thrace, Macedonia and Epirus. The new military defence doctrine of Greece, which is based on the concept of establishing a single Hellenic space, is an expansionist and offensive military posture based on race. Such a posture presents a major threat to peace and stability in our region. Furthermore, Greece's alignment with the terrorist organizations that harbour futile aspirations against Turkey's territorial integrity and political unity is common knowledge. We find the current and unqualified support given by Greece to terrorism, which is internationally recognized as the main threat to humanity, most deplorable.

I should like to confirm that Turkey is determined not to compromise its basic legal rights and interests in the Aegean in the face of Greek designs.

But looking to the future, I should like to reaffirm our readiness to engage in a process of meaningful dialogue to achieve mutually acceptable, just and equitable solutions to all our differences through result-oriented negotiations. We continue to believe that the betterment of Turkish-Greek relations is in the best interests of both nations and is essential for the promotion of much-needed stability in our region.

I should like to request that this letter be circulated as a document of the General Assembly, under items 39, 75 and 81 of the preliminary list, and of the Security Council.

(Signed) İnal BATU
Permanent Representative